

## **Introduction to Real Estate**

### **Chapter 7: Marketing, Promotions, and the Media**

**Standard:**    **The scope of marketing in real estate.**  
(CIP #08.1701-0701)

- Objectives:**
- Understand the usage of target marketing.
  - Define and identify the elements of the marketing mix.
  - Define and identify the elements of the promotional mix.
  - Identify the forms of promotions most frequently used in real estate.

## Advertising & Real Estate

**Information:** Activities carried out by brokers/agents to develop, promote, and distribute products to satisfy customers' needs and wants are known as **marketing**. There are four basic elements that constitute the **marketing mix**; product, price, place, and promotion (*known as the 4 P's*). And since the real estate industry is driven by sales, a fifth "P" may be added—People. To ensure your marketing efforts are not being wasted, you must identify your target market.

### Usage of Target Marketing

**Target market** in real estate is a specific group of people who need the services of an agent, and have the money to buy. A real estate office, by its very nature, will usually serve the needs of many markets with varying needs. In order to introduce a particular property, the target market must be identified according to such factors as income, age group, concerns, and buying motives. Knowing the characteristics of a target audience is also necessary to determine what media to use in the promotional strategies.

There are many ways to reach your identified target market. But regardless of which method you use, you want to make sure that you are getting the "biggest bang for your buck." Otherwise, spend your money wisely and identify media or promotions that will reach primarily your potential clients, and not those who are not in the market for your product. For example; if you're **selling** homes, you would not advertise on a college radio station. Students neither have the money to buy homes, nor are they in need of one. However, if you own apartments as income property and they are located near the school, the college radio station would be a great place to advertise to **rent** these apartments.

### Elements of the Marketing Mix

**Product:** Products include goods and services, both of which have monetary value and satisfy customers' needs and wants. **Goods** are the kind of things you can touch or hold in your hand. In real estate, this could be a home, commercial building, raw land, or income property. **Services** are the kinds of things you can't physically touch. Services are tasks performed for the customer. The sales agent provides marketing, negotiation, and professional services for their buyer or seller.

**Price:** Pricing concepts and strategies are utilized in determining and adjusting prices to maximize return and meet customers' perceptions of value. Based on comparable properties or the capitalization rate of an income property, real estate agents recommend a sales price to the seller. Agents for the buyer will try to negotiate this price down to get better value for their money. When a price is agreed upon by both parties, an **exchange** will take place.

**Place:** Place involves having a product where customers can find it. For instance, a real estate company will have an office or a website for customers to visit. Buyers of retail and business real estate study shopping habits to determine the most convenient and efficient property to locate their business.

**Promotion:** Communicating with potential customers to inform, persuade, or remind them about a business's products and services makes up promotion. A real estate agent will use the media, internet, flyers, magazines, open houses, and Parade of Homes to carry-out their promotion strategies.

**People:** The real estate industry thrives on providing customer service. An agent who excels in this area can quickly become the top-producing sales agent in their company. With the saturation of computerized customer service over the telephone and internet, and self-service becoming the norm, customers yearn for human contact. Real estate professionals who capitalize on providing excellent customer service will always be in demand.

### **Elements of the Promotional Mix**

Activities that provide information leading to sales of their properties and services are called **promotion**. Advertising, public relations, personal selling, and promotions are all involved in the **promotional mix**. Promotional techniques are only ways of beginning the selling process; the broker or agent is the one who must complete the sale.

1. **Advertising:** Any **paid** form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor—the real estate agent, in our case. Most advertising is channeled through the media; broadcast or print.

2. **Public Relations:** Any activity designed to create a favorable image toward a business, its products, or its policies. Sponsoring special events like a Cancer Walk-a-thon, open houses, Parade of Home participation, chamber of commerce membership, publicity, and Salesman of the Year awards are all examples of public relations. These all create positive word-of-mouth advertising, which can lead to sales solely based on your perceived reputation and good-works.

**Publicity** is a specific kind of public relations worth mentioning. It involves YOU placing **non-paid** positive and newsworthy information about your company or people in the media in the form of a **press release**. Various media encourage businesses to submit articles for publication at their discretion. Examples of newsworthy articles may be the addition of a new agent to a staff, civic service rendered by a real estate firm or agent, relocation of an office, special award recognition, etc.

Publicity is not always positive, however. A reporter may discover a problem with your property or services and include your name in a newspaper article. You have no control over what will be printed in this case—but you must act quickly to remedy the damage done.

3. **Personal Selling:** Any form of direct contact occurring between a real estate sales agent and a customer. Examples are when agents give a presentation to a prospective

seller to sign a listing agreement, or when a buyer's agent drives the client to show them several homes that meet their needs and wants. Personal selling takes a lot of the agent's time, so it's important that you qualify the customer before you invest too much time.

**4. Promotion:** The activities which provide communication between the seller of a property (real estate agent) and the many potential buyers (target audience) of that property.

#### **Forms of Promotion most Frequently Used in Real Estate**

Promotion comes in many forms; flyers, visual merchandising, special events, premiums (like printed t-shirts, pens, calendars and notepads with your name and phone number), speaking engagements, and anything you can think of to get attention.

- **Visual merchandising** such as displays of properties for sale in windows or at shopping malls are effective selling tools.
- **Open houses** are a primary type of special event in the real estate business. An agent has an opportunity to use many of the promotional tools available to aid in its success.
- **Promotional campaigns** are a series of activities built around a specific theme for the purpose of reaching the advertisers objectives. Examples of promotional events are the local parade of homes, annual community activities such as rodeos, etc., and broker-initiated events.

#### **PRACTICAL APPLICATIONS**

1. In order to effectively promote a specific property an agent must be able to identify the target market for that property. Select two advertisements targeting different markets from a local newspaper and identify the markets being targeted. Explain your decision.

## **Introduction to Real Estate**

### **Chapter 7: Marketing, Promotions, and the Media**

**Standard:**     **Identify effective advertising techniques.**  
(C.P. #08.1701-0702)

- Objectives:**
- Know general advertising terminology.
  - Define AIDA (Attention, Interest, Desire, Action) and discuss how it applies to advertising.
  - Know general advertising guidelines.

**Performance**

**Objectives:**     **#6. Create an advertisement or promotional tool to promote a specific property.**

## Effective Advertising Techniques

**Information:** Through the proper use of words and graphic images, an advertisement can create sales. A thorough knowledge of the property being promoted is critical in order to devise a message in which the selling points can be translated into customer benefits. Ads should be written in the present tense, use lively, descriptive words and phrases, short, simple sentences, and be carefully punctuated. Facts should be reviewed carefully to avoid misleading the reader.

### Advertising Terminology

#### **Layout**

The **layout** is a plan that shows how the advertisement will be arranged; where to place the headline, graphics, copy and logo. There are many techniques to laying out an ad, but the most frequently used layout is in the form of a “Z.” Research shows this is the natural gaze of the English reader’s eye on a page. We start with the top left corner of the “Z” and end at the bottom right corner. Thus, advertisers place their headline at the top, the copy and graphics in the center, and end with the logo and contact information in the bottom right-hand corner. Because our gaze naturally ends on the right side, many advertisers request right-side or right-page placement for their ads in magazines and newspapers.

#### **Headline**

Used to capture the attention of the audience and to create a desire to read more. By getting the word “you” into the headline, the advertiser can draw the reader into the message, thus appealing to the buying motives. Other words; “new,” “now,” and “at last” are among the most powerful headline words because they flash a signal to the reader of something different or exciting. Advertisers may also pose questions in the headline or write something provocative or funny to capture the reader’s attention.

#### **Illustration**

In real estate, this is a picture of the property being advertised. Its purpose is to attract attention, create interest, and show the property— “a picture is worth a thousand words.” Utilize color, and if the building does not yet exist, have an artist render a life-like drawing of the proposed building.

#### **Copy**

The “written” message, usually in a smaller font than the headline, should arouse the reader’s desire to own the property. The opening line of the copy should relate directly to the headline theme, and the last sentence should persuade the reader to take action.

#### **Slogan**

A brief, timely message that is easily remembered and designed to be repeated word for word throughout a firm’s promotional activities. (*Example: “Century 21—Real Estate for Your World”*). A successful Realtor created the slogan “Buy Utah.” The Realtor used this

in every ad, flyer or promotion he created. His toll-free phone number is 1-800-BUY-UTAH, and his website is [www. buyutah.com](http://www.buyutah.com).

### **Theme**

The theme refers to the central idea of an ad or total campaign. Easy examples to illustrate successful themes and campaigns involve beverage commercials you see on TV. Keystone beer used the central theme of “bitter beer face” to bring home the point their beverage was smooth tasting, and never bitter. Their ads showed a lot of different actors, in different situations and locations (parties, on the golf course, the beach, etc), but the one thread that connected this ad campaign together, and made it recognizable to viewers, was the “bitter beer face” theme. Another beer, Budweiser, is infamous for their “frog” campaign. No matter what the main point of the ad was—good taste, good times, low calories—the recognizable frogs saying, “Bud-Weis-ER” tied all the ads together into a solid, memorable, and extremely profitable ad campaign. Whatever you do, it helps prospective clients to remember you, if you stay with a consistent theme and ad campaign.

**Logo or logotype** is often referred to as the “signature” of the business, and is considered one of the most important elements of advertising. Through a good logo, a firm may gain recognition and individuality in their ads. It should appear in every ad and remain unchanged for many years. A **trademark™** is a brand name, brand mark, trade name, trade character, or a combination of these, that is given legal protection by the federal government.



### **Using AIDA to Create an Ad**

Whether your ad or promotion is printed or broadcast, AIDA will help you create a marketing tool that is effective. For this example, we will use a flyer for the home. These flyers are usually placed where they are easily accessible by the prospective buyer—on the “For Sale” sign or on a counter in the real estate office.

**Attention:** The headline at the top of the flyer should grab the attention of the prospective buyer. A person will glance at an ad for 3 seconds. If the headline does not appeal to her, she will pass it by without another thought. The headline should be a large font in order to stand out.

**Interest:** Using pictures generates interest. It makes the ad more appealing, causing the reader to linger and read what’s printed. Using color generates more interest, especially when showing real estate. When creating a flyer, it’s a good idea to show a picture of the home, plus a few additional pictures of the interior, a unique feature, or appealing landscaping. If you place people in the ad, use models that are stereotypical of the target market. If you are selling a retirement community, it makes sense not to feature a young family in your ad.

**Desire:** The written message—or copy—is the key to creating desire. You can be creative, but not so much so that your reader gets lost in the copy and misses the main point. In a flyer, make sure to identify the important or unique features of the home (must include; bedrooms, bathrooms, garage stalls, approximate square footage). *Make sure you include the word “approximate” or a disclaimer about the square footage that explains it is an estimate. Agents have been sued by buyers for misrepresenting the size when it’s not exactly accurate.*

Some agents bullet-point the features to make them easy to read, others use paragraphs to provide more detail or to create an image. Some agents will place a “star” on the flyer with inserted text screaming, “Motivated Buyer,” “Reduced \$20,000,” or “Only 2 Units Available” to get the buyer to act more quickly. Whatever you do, the copy must motivate the prospective buyer to take action and call you.

**Action:** In your ad, you must include contact information; your name, telephone number, company logo, and web address. Anything that informs the reader how to reach you. This information is usually located at the bottom of the flyer. It would be stupid to entice the reader into wanting your product or service, than not telling them how to contact you. This would result in a lost sale, and lost revenue for you.

### **General Advertising Guidelines**

As you prepare ads for the houses you are trying to sell, keep these guidelines in mind:

1. Gain a thorough knowledge of the product or home being promoted before you try to write an ad for it.
2. Identify the target audience for the particular home, and plan to adapt the sales message to this group. Express the message in a style the audience can understand.
3. Identify the buying motives of the target audience; basic, emotional, or rational. Plan to direct the message to one or more major motives.
4. Analyze and list all selling points of the home, especially those features that are likely to appeal to the target group.
5. Plan to write the message so the selling points can be translated into customer benefits. Prepare an outline, indicating the order in which the selling points or benefits will appear (usually in order of greatest importance).
6. Incorporate into the message the AIDA formula: Attention, Interest, Desire, Action. (A dose of credibility will help, too).
7. Plan the ad so it will attract positive attention through an eye-catching headline or illustration relating to the copy.



8. Write the copy with the goal of holding the readers' attention. Write in the present tense; use lively, descriptive words and phrases; use short, simple sentences; and punctuate carefully.
9. Make certain the ad is not misleading, causing the reader to expect more than the home or you can really offer.
10. Avoid repeating the same ad if the house does not sell quickly. Readers who see the same copy over a period of time are likely to get the impression something is wrong with the product.
11. Make the advertising program a continuing effort so your name and the firm's are easily recognized over time.
12. Plan when and how frequently the same ad will appear and in exactly what medium or media it will most likely reach your target group.
13. **Evaluate the advertisement.** Although it is often difficult to measure the direct impact an ad has on actual sales or contacts, an evaluation must be conducted in order to effectively use your advertising dollar. The best way to measure response to an ad is to ask your client, "Where did you hear about me?" If they saw your ad in the phone book, a magazine or billboard, they will identify for you where your leads are being generated.

**Questions to ask yourself when evaluating you ad should include:**

"Is the message being communicated effectively?"

**"Did the advertisement generate new leads?"**

"Am I getting the most possible use out of each advertising dollar spent?"

"What were the strengths and weaknesses of a particular advertising campaign?"

**REQUIRED PERFORMANCE COMPETENCY**

- #6. Create an advertisement or promotional tool to promote a specific property.

## **Introduction to Real Estate**

### **Chapter 7: Marketing, Promotions, and the Media**

**Standard:**     **The range of advertising media available.**  
(C.P. #08.1701-0703)

- Objectives:**
- Identify print, broadcast, outdoor/transit, and specialty media.
  - Discuss the pros and cons of the various types of media in real estate.

## Advertising Media

**Information:** Before making a decision about which medium is best to carry the desired message to the right people or target audience, it is important to become familiar with the media used in real estate promotion. The four categories of media generally used in real estate include print, broadcast, outdoor/transit, and specialty. A decision must be made as to which media to use based on the buying motives of the target audience, cost vs. budget, the medium's reach, etc. In order to maintain an effective advertising program, it is important that the effectiveness of each promotional event be carefully evaluated.

### The Pros and Cons of Different Types of Media

#### **Print Media**

Print media includes newspapers, magazines, real estate trade journals, direct mail (directed to specific people on a mailing list), specialty magazines and guides, directories (Yellow Pages), flyers and brochures. Print media is used most frequently in the real estate field.

- **Newspaper advertising** offers brokers the advantage of reaching a large percentage of the local market at a relatively low cost on a daily basis. It also provides flexibility in terms of rapid changes or additions in advertisements. Real estate firms use both classified and display newspaper ads.
- **Classified ads** are small ads with small type and no illustrations, and are grouped by subject matter, such as "Homes for Sale."
- **Display ads** are large ads and may include all or part of the following parts; headline, illustrations, blocks of copy, and facts about the firm such as the name, address, slogan, theme, trademark, and logo.

**Pros:** Print media is relatively inexpensive when compared to other mediums. When bought in large quantities, brochures and like printed materials can cost pennies per unit. With the prevalence of inexpensive color printers and copiers, real estate agents can produce professional-quality color flyers themselves on-the-fly. Direct mailings can be sent to a specific list of targeted prospects. Newspaper ads can be created and inserted within a short period, so a last-minute open house may be promoted.

**Cons:** Direct mail "aka Junk mail" may be thrown away unopened. The average success rate of direct mail is 2-3%, which is fairly low. Directories like the Yellow Pages are printed yearly, and if your information changes during

that period, you are out of luck. Magazines sometimes require a long lead time of 2-3 months before your ad is seen, and can be expensive.

### **Broadcast Media**

Radio and television are examples of broadcast media, and are typically the most expensive form of advertising. Broadcast media, however, is being used more frequently by real estate firms than in the past.

**Pros:** Radio is used more frequently than television by brokers because it is a less expensive medium and requires less preparation time (*1-2 days in some markets*). Larger firms like Century 21 may use the benefits of television to reach national audiences for their franchises. Television sells the reputation of the company, not the individual homes. Smaller firms will usually choose radio in order to reach listeners of varied incomes, ages, and interests within and near the local trading area. Agents can also use radio to promote specific properties or events.

**Cons:** Broadcast media is a passive or “intrusive” medium. This means the prospect is not searching out the information in the ad, nor may they be actively watching or listening. It may also be harder to directly hit your target market, however, more programming is targeting specific groups.

### **Outdoor/Transit Media**

These mediums are placed where they can be easily seen by the audience to be reached. “For Sale” signs placed on properties, car signs, signs on busses, and billboards are all examples of this media.

**Pros:** Seen by a lot of people, and the cost is inexpensive per each exposure. Enticing ads may also create memorability for years to come. “For Sale” signs on a property are excellent. People search them out, and are pleased to take home flyers kept on the sign.

**Cons:** Only a few people who are exposed to your ad are in your target market. Many billboards are on heavily traveled roads with high speeds. There is little time to read your message or write down your phone number. Outdoor and transit media are usually contracted for several months (or 1 year), so they cannot be easily changed without great expense.

### **Specialty Media**

This media is only limited by your imagination. It includes everything you can think of, such as promotional videos, novelty items such as imprinted calendars, balloons, pens, flags and banners, “talking” messages describing listings, and skywriting.

**Pros:** Your imagination is your only limitation. Anything you can print your name or log on, is game. You can use these in direct mail, as a small incentive for attending a seminar, a thank you, Christmas gifts, or attention-getting devices. Most are relatively inexpensive.

**Cons:** A lot of these inexpensive items are quickly discarded or may be given to people who are not your target. Some items may only last a day or two, then they are used up.

### **PRACTICAL APPLICATIONS**

1. Select a local real estate firm, and for a period of two weeks closely and collect any examples of the types of media used; report on any special events and/or publicity releases; and discuss with the broker why they use the media they do. Prepare a written report.
  2. Select a local real estate firm, and assume that you are employed there. For a period of two weeks, follow the company's advertising and sales promotion program to determine what media are used in general and what media are used most frequently. Organize the information that you collect in a folder or notebook.
- A. Ask the following questions of a broker or other knowledgeable person in the firm who is familiar with the firm's promotional plans.
1. What media are used most frequently for
    - a. Advertising?
    - b. Sales promotion?
  2. Why are these media used more than any others? What advantages does the firm gain from concentrating on the these media?
  3. What advertising and sales promotion activities are planned for the next two weeks?
- B. Collect examples of all printed advertisements for the two-week period. Mount them and label them as to the particular type of printed media: newspaper, direct mail, and so on. Label newspaper advertisements as classified or display.
- C. Describe and list the time and type of any broadcast media used (radio spot announcement, for example) during the two-week period.
- D. Describe the kinds of ads and location of any outdoor or transportation ads used during the two weeks.
- E. Summarize the specialty media used during the two weeks.
- F. Describe any special events of the firm during the period.
- G. Describe any publicity releases developed during the two weeks or any planned for the future.